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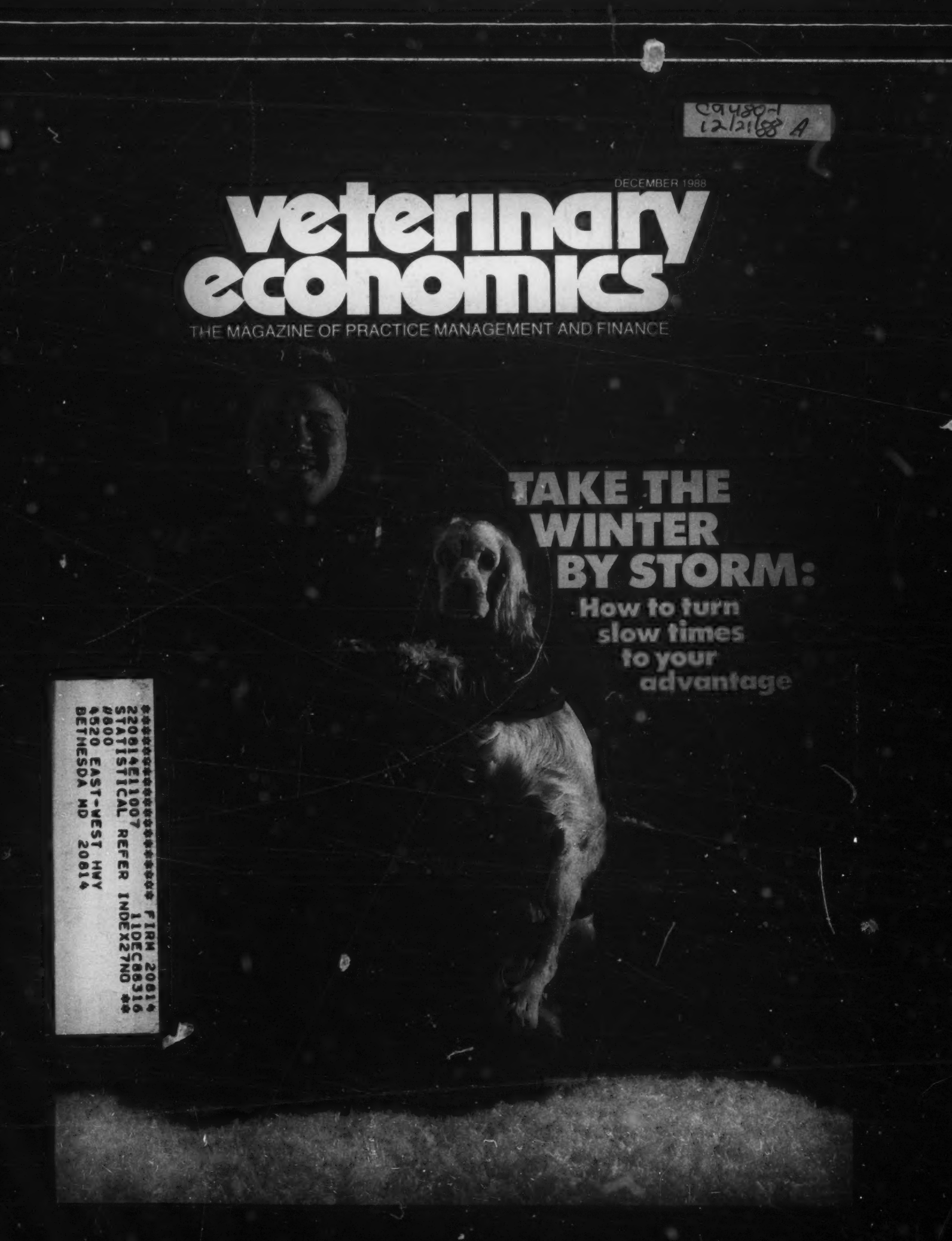
DECEMBER 1988

veterinary economics

THE MAGAZINE OF PRACTICE MANAGEMENT AND FINANCE



TAKE THE WINTER BY STORM:

How to turn slow times to your advantage

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A Medical Economics Publication

MEMO FROM THE EDITOR

Treating nobody's dog

I'm not sure why I end up in veterinary hospitals on Saturday nights, but between my cats and the farm animals, I seem to be a regular. On this particular occasion, I was visiting my family's farm, and the evening began with a horse injury. I asked my cousin to check out what looked like a cut on her horse's backside. When she came back from the barn, she said, "I think the horse is fine, but there's a stray dog down there that's in big trouble."

With flashlight in hand, we entered the barn, and out from behind some hay crept a little dog with a big gash in her neck. Her fur was matted with blood and she smelled terrible, but her tail was wagging and her nose was wet and cold. She followed us to the house, and I called the veterinarian. "I'll meet you at my office at 10," he said.

We bundled up the dog and drove to town in snow flurries that came up out of nowhere. By 10:05, Dr. Taylor, my friends, and I were huddled over a dog none of us had ever seen before. Dr. Taylor treated her, I fussed over her, and we all knew that she'd have to fend for herself once we went back to the city and she went back to the barn.

When I told Dr. Taylor I worked for VETERINARY ECONOMICS, he said, "Well, I don't think this is something we need to write about. The treatment I gave her is not what she'd get in the city—it's not what she'd get if she stayed in one place and one person could watch out for her. Since she is nobody's dog, I gave her what she'll need to get back on her own." I said we *should* write about this evening because Dr. Taylor was there to give nobody's dog just what she needed late one Saturday night.

I've just completed my first full year working with veterinarians. I am impressed with the professionalism and dedication I've seen and hope we've lived up to your expectations of the magazine. Your response to VETERINARY ECONOMICS has been strong, and with your continued guidance, the rest of the staff and I will make the magazine even stronger next year.

Happy New Year, Dr. Taylor.

Becky Turner

Rebecca R. Turner

narians are now providing personalized business cards for their full-time employees.

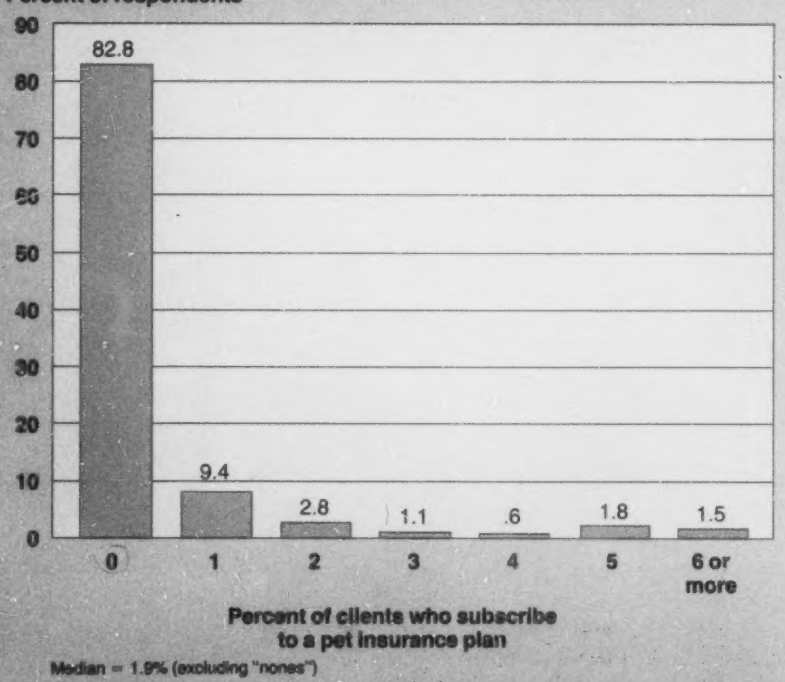
What are the benefits of this small investment (usually about $20 per person)? Increased worker loyalty and a new marketing arm for your practice: Staff-originated referrals open up a new potential client base for your hospital.

•**The farm economy** is improving, with a 26-percent drop in farm debt (a nine-year low). With farm production predicted to rise by as much as 25 percent next year, experts anticipate a resurgence in agricultural capital spending and a revival for suppliers. Says Alan Barkema, an economist with the Kansas City Federal Reserve Bank, "We simply have fewer financially vulnerable farmers than we had three years ago."

HOW MANY OF YOUR CLIENTS HAVE PET INSURANCE?

The numbers are small, according to the veterinarians who responded to the 1988 VETERINARY ECONOMICS Continuing Survey. Of the 545 small animal practitioners asked, "How many of your clients subscribe to a pet insurance plan," 451, or 82.8 percent, said "none."

For the 94 others who do have clients who subscribe, the percentages are small, as shown on the chart below. Revenues from third-party payments are small, too: Small animal veterinarians with clients who subscribe say 1.7 percent of their revenue comes from third-party payments.



TURN YOUR CLIENTS ON TO THE TUBE

Beginning in January, you and your clients can watch recent advances in veterinary medicine on "The Gentle Doctor," a 13-episode series co-sponsered by AAHA, Nabisco Brands Inc., and Henry Schein Inc.

Each 30-minute PBS program offers obedience training tips; suggestions for dog and cat care; and information on such topics as animal dentistry, women veterinarians, emergency care, first aid, cancer research, and pet-owner bereavement.

During three of the episodes, viewers will be provided with AAHA's toll-free number for additional information. ■

WHERE DO YOU STAND WITH CE?
1988 Survey Results

All the signs show that continuing education is gaining steam across the nation. But do your clients know when and how you keep up-to-date?

By Catherine Lumetta ASSOCIATE EDITOR

Is continuing education (CE) mandatory for relicensure in your state? At this writing, 26 states have adopted mandatory CE—up from 18 states a decade ago. In four more states and the District of Columbia, mandatory CE will take effect by 1990. The average number of hours required per year is 12.5.

The 1988 VETERINARY ECONOMICS Continuing Survey asked, "How many CE credit hours did you receive in 1987?" Of the 737 practitioners who responded, 8.5 percent had not taken *any* CE in 1987. The 91.5 percent who *did* take CE took a median of 22.5 hours last year. (See the chart below. All charts in this article refer only to veterinarians who received CE credit hours.)

According to Louis Phillips, EdD, the move toward mandatory continuing education for relicensure has continued to gain acceptance during the past two decades. Dr. Phillips, of Louis Phillips and Associates in Athens, Ga., has tracked CE for 15 years across 16 professions. His data reveal eight trends in continuing education:

1. Attendance is increasing at professional meetings offering educational components.

2. More and better educational programs are now available.

3. Professionals are becoming increasingly interested in their professions. "By increasing the emphasis on CE, professions seem to be more respected by *other* professions," he says.

4. Professional journals are giving increased attention to educational matters.

5. Professionals can now assess their knowledge and skills *vs.* the norms of their profession.

6. Standards for educational programs are being developed to ensure better-quality programs.

7. Continuing education provides more appropriate alternatives to relicensure. "In other words," Dr. Phillips explains, "CE will be more important to relicensure, regardless of what process of reassessment is used."

8. Professionals are being forced out of isolation. "Continuing education forces you into a group learning environment, giving you a point of comparison with your peers and colleagues as to whether you're maintaining your knowledge, skills, and attitudes,"

WHO TOOK THE MOST CE IN 1987?

Practice type	Number of CE hours
All DVMs	22.5
Small animal	22.3
Large animal	20.9
Mixed animal	24.7
Equine	21.0

All figures are medians and exclude "nones."

he says. "It brings you out of isolation and causes you to think on a different level. You're challenged because you come across cases that you don't ordinarily see."

Dr. Phillips says the problem with many CE programs is that they provide information that isn't related to the everyday problems professionals encounter in the workplace. "A person needs to feel good about himself in the workplace to be successful and competent," he remarks. "I contend that most professions have worked very hard and been successful in refining the profession through continuing education, but they haven't paid enough attention to the professional. We need to look at how to address *individual* needs.

"The sole practitioner needs help, guidance, and direction in personal development. Frequently, we think we know what the solution is when we really don't know what the problem is. And professionals get caught up in the middle and don't see the difference between what they really need *vs.* what's offered as CE."

"Most professions feel they need to provide more knowledge and skills, when these really aren't the topics most lacking in the workplace," he continues. "The problem is *implementing* that knowledge and skill. Continuing education should serve to help each individual practitioner rise up to self-enhancement and self-fulfillment. You strengthen the profession by bringing each individual up to a higher level." ▶

THE MORE CE, THE MORE MONEY?

High earners took the most CE hours in 1987.

1987 Gross	Number of CE hours
Less than $50,000	21.9
$50,000–$99,000	20.6
$100,000–$149,000	23.8
$150,000–$199,000	25.1
$200,000 or more	30.1

All figures are medians and exclude "nones."

WHO GIVES ALL THIS CREDIT?

Survey respondents who took continuing education in 1987 received their credits from variety of sources. As you'll see in the chart below, state association meetings scored highest.

State association meetings	63.3%
Private seminars	41.2
National association meetings	33.8
University	32.4
Periodicals	20.4
VCR tapes	4.1
Other	18.5

EDUCATE CLIENTS ABOUT YOUR EDUCATION

"At every turn, you need to educate clients so that they will appreciate your training, expertise, scope of practice, and even your fees," says practice management consultant Bob Levoy. "Clients place importance on knowing the value they're getting for their money. And informing your clients about your continuing education is one vital way to enhance that perception of value."

Levoy says he's found that most people aren't aware that their veterinarians receive continuing education (CE) credits to keep up with changes in veterinary medicine. "According to our studies, many clients have no idea what CE their veterinarians take," says Levoy, of Professional Practice Consultants in Great Neck, N.Y.

"Sure you're up-to-date," Levoy continues. "But the question is, do your *clients* know it? One of the priorities that clients have in selecting a veterinarian is knowing that he or she is up-to-date." A client must feel confident that you—and all of your staff members—are qualified and well-trained.

The simplest way to convey this message, Levoy offers, is to post a notice on a bulletin board in the waiting room. "If you don't have a bulletin board, tape it to the wall; just put it out in the reception area," he says.

Levoy suggests using ordinary letterhead and simply saying, "We will be away from the hospital from time to time during the coming year to attend postgraduate courses in veterinary medicine. Some of the courses we will be attending include. . ." Then list the courses and dates. Be sure to highlight courses that non-DVM staff are taking.

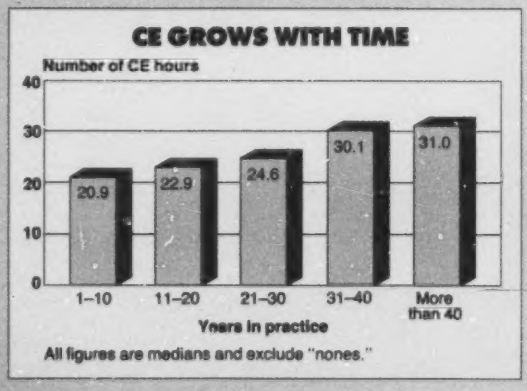
Levoy also recommends that you include a short description, in layman's terms, of each course. "You'll make people aware of your special interests and sophistication," he says. "For example, listing a course on feline endocrinology will let people know that you have an interest in cats and a sophisticated level of knowledge about these animals and their special problems. Including a description may also lead some clients to inquire about a service they didn't know you offered, say, nutrition or behavior counseling, or herd health management."

You could use the same technique in a newsletter, Levoy says. In January, list upcoming CE that you or your staff will attend during the coming year. Then in each month's newsletter, note any CE that will be attended that month, perhaps adding a more in-depth description of the course.

"Not everyone will read or comprehend the significance of this list," Levoy says. "But you'd be surprised at how many will be interested and impressed. Veterinary medicine is changing so fast these days, and clients know that—they are very savvy today."

Clients can be particularly wary of practitioners who have been out of school for a number of years. "The longer you've been out of school, the more possible it is for the public to erroneously assume that you are out-of-date, especially if they have no way of knowing that you're an active participant in CE courses," Levoy comments. "It's unfair, but that's the way people talk. As they say in the marketplace, 'perception is reality.' " (The graph on this page shows that older practitioners actually take *more* continuing education than younger DVMs.)

With continuing education, Levoy says, "Your clients will have a healthy respect for your skills, your experience, and your scope of practice. And most importantly, they will know that you and your staff are up-to-date in veterinary medicine." ■



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MEMO FROM THE EDITOR

Just when you thought it was safe . . .

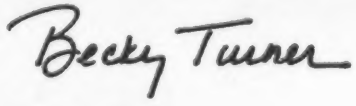
Beginning in late July, our lives at VETERINARY ECONOMICS are dominated by a gigantic computer printout known to the world as the Continuing Survey. From August through December, we organize and assimilate the results, presenting them in the magazine to give you a unique opportunity to measure and compare your financial health with that of other practitioners nationwide.

Our part is nearly done now, which can mean only one thing: It's your turn. In the next few weeks, 6,000 of you—representing every practice type and every region of the country—will receive the 1989 survey, which asks you to share with us the 1988 financial facts about your practice. For those of you who have told us that the figures we print sometimes seem out of line with your experience, now is your chance. The more surveys that are returned, the more representative the accounting.

As enticement to fill out what is admittedly an imposing-looking form, we've sweetened the reward. Fifty of you will receive a book on diagnoses, and one of you will receive free registration and lodging at the Central Veterinary Conference next September. (For more information on the conference, see pages 70 and 71.) We'll even treat you to a gourmet dinner for two at a top Kansas City restaurant.

Now if all of this is not enticement enough, I offer one more plea: Fill out and return the survey for yourself *and* for your colleagues. You'll be contributing to a body of knowledge about your profession that challenges all of you to take a good hard look at the business side of your lives. Practice management will make more sense because you will know where you stand.

To help you determine where you stand right now, we begin 1989 with our annual financial planning guide on page 28. The numbers you uncover in your professional and personal portfolios can be the basis for improving your standing on all fronts.



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84 Bull's Eye
Veteran practitioners should encourage the best and the brightest to enter the profession.

vering tells you how in his new book, *A Great Place to Work: What Makes Some Employers So Good (and Most So Bad)* (Random House, 1988). Levering suggests that you:

- Recognize that great work places are defined more by relationships, feelings, and attitudes —and less by wages and working conditions.
- Work to establish a fundamental trust between employer and employee. Satisfied workers know that management has their best interests in mind.
- Make your employees one of *your* top priorities.
- Explain and defend your decisions to employees, in public.
- Assume that your employees are partners, not hired hands.

For more ideas, look for Levering's book, and read Dr. Ross Clark's article on page 22 of this issue.

WE KNOW YOU'RE OUT THERE!

We at VETERINARY ECONOMICS make it our business to stay closely attuned to the problems, concerns, and opinions of practicing veterinarians. Many of you have responded to our surveys; others have been interviewed by our writers and editors. What about the rest of you? We want to know what you're thinking, too.

Does a VETERINARY ECONOMICS article remind you of your own experience? Take a stance you agree with? Make you mad as hell? Let us know. The Letters to the Editor column is your forum, and we always welcome new voices.

If you need more room to express your opinion, you might consider Bull's Eye. This column on the last page of the magazine generates some of the best discussion we've seen on the issues affecting your profession.

We also want to know what information you need. What *is* your most pressing practice management problem —and how can we help solve it? The more input we have, the better magazine we can produce for you.

Finally, if you're feeling even more ambitious, we are always ready to consider your manuscript or proposal for an article on any nonclinical topic, be it professional, financial, or personal.

Remember, we *want* to hear from you.

Write: VETERINARY ECONOMICS, 9073 Lenexa Dr., Lenexa, KS 66215. ■

THE IMPACT OF ANIMAL RIGHTS

The 1988 VETERINARY ECONOMICS Continuing Survey asked a nationwide sample of veterinarians to comment on if and how the animal rights movement infringes on their practices. The majority report no problem, but "encroachment by humane societies" ranks as the top problem among those who do feel an impact. (See the charts below.)

According to Franklin M. Loew, DVM, PhD, who is the Science Advisory Panel Coordinator for the American Humane Association, animal welfare is the most important veterinary issue of the late 20th century.

Do you see the animal rights question infringing on your practice?

	Yes	No
All DVM	28.1%	71.9%
Small	29.3	70.7
Large	29.6	70.4
Mixed	27.8	72.2
Equine	12.2	87.8

If yes, why?*	
Limiting animal research	44.6%
Declining demand for meat foods	17.8
Encroachment by humane societies	71.4
Limiting parameters of treatment	23.5
Other	4.2

*Percentages based on multiple responses in the "All DVM" category.